

United Way of Greater Philadelphia and Southern New Jersey and Affiliate

**Consolidated Financial Statements
(and supplemental information)
June 30, 2019 and 2018**

United Way of Greater Philadelphia and Southern New Jersey and Affiliate

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Independent Auditor's Report

To the Board of Directors of
United Way of Greater Philadelphia and Southern New Jersey
Philadelphia, Pennsylvania

We have audited the accompanying consolidated financial statements of United Way of Greater Philadelphia and Southern New Jersey and Affiliate ("UWGPSNJ"), which comprise the consolidated statements of financial position as of June 30, 2019 and 2018, and the related consolidated statements of activities and changes in net assets, cash flows, and functional expenses for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to UWGPSNJ's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of UWGPSNJ's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of UWGPSNJ as of June 30, 2019 and 2018, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying supplemental information on pages 41 to 45 is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

BDO USA, LLP

Philadelphia, Pennsylvania
August 26, 2020

Consolidated Financial Statements

United Way of Greater Philadelphia and Southern New Jersey and Affiliate

Consolidated Statements of Financial Position

June 30,	2019	2018
Assets		
Current Assets		
Cash and cash equivalents	\$ 14,177,020	\$ 17,012,926
Short term investments, at fair value (Note 3)	16,121,148	6,791,389
Pledges receivable, net (Note 4)	17,020,871	17,129,815
Grants receivable (Note 5)	124,380	119,723
Legacies and bequests receivable (Note 6)	500,000	750,000
Other current assets	376,282	676,217
Total Current Assets	48,319,701	42,480,070
Long-term investments, at fair value (Note 3)	56,171,426	58,819,105
Long-term pledges receivable, net (Note 4)	2,517,846	3,969,378
Land and equipment, net (Note 7)	262,337	276,287
Long-term legacies and bequests receivable, net (Note 6)	-	493,583
Cash surrender value of life insurance policies	53,279	52,987
Total Assets	\$ 107,324,589	\$ 106,091,410
Liabilities and Net Assets		
Current Liabilities		
Distributions payable to agencies, including donor designations of \$9,204,972 and \$10,721,414 in 2019 and 2018, respectively	\$ 17,452,002	\$ 18,413,061
Deferred revenue	13,069	8,561
Accounts payable and accrued expenses (Note 9)	3,633,631	2,508,563
Total Current Liabilities	21,098,702	20,930,185
Long-term distributions payable to agencies	71,235	507,306
Total Liabilities	21,169,937	21,437,491
Net Assets		
Without donor restrictions	53,601,604	54,441,279
With donor restrictions (Note 12)	32,553,048	30,212,640
Total Net Assets	86,154,652	84,653,919
Total Liabilities and Net Assets	\$ 107,324,589	\$ 106,091,410

See accompanying notes to consolidated financial statements.

United Way of Greater Philadelphia and Southern New Jersey and Affiliate

Consolidated Statement of Activities and Changes in Net Assets Year Ended June 30, 2019

	Without Donor Restrictions	With Donor Restrictions	Total 2019
Public Support			
Annual campaign	\$ 28,896,511	\$ 7,313,542	\$ 36,210,053
Gross campaign results in prior year - released from restriction	1,486,301	(1,486,301)	-
Program restricted campaign gifts raised in prior year released from restriction	2,094,385	(2,094,385)	-
Less - amounts raised on behalf of others	(14,696,333)	438,571	(14,257,762)
Gross undesignated annual campaign	17,780,864	4,171,427	21,952,291
Provision for uncollectable pledges	(960,615)	-	(960,615)
Net annual campaign	16,820,249	4,171,427	20,991,676
Grants and other contributions	242,186	350,102	592,288
Total Public Support	17,062,435	4,521,529	21,583,964
Revenue			
Amounts received from other United Ways	122,748	-	122,748
Administrative fees on amounts raised on behalf of others	1,627,018	-	1,627,018
Legacies and bequests	358,558	6,417	364,975
Rental and miscellaneous income	82,514	-	82,514
Application of spending policy	3,245,825	-	3,245,825
Investment income	501,151	-	501,151
Donated materials and services	434,559	-	434,559
Net assets released from restrictions	2,168,786	(2,168,786)	-
Total Revenue	8,541,159	(2,162,369)	6,378,790
Total Public Support and Revenue	25,603,594	2,359,160	27,962,754

See accompanying notes to consolidated financial statements.

United Way of Greater Philadelphia and Southern New Jersey and Affiliate

Consolidated Statement of Activities and Changes in Net Assets Year Ended June 30, 2019

	Without Donor Restrictions	With Donor Restrictions	Total 2019
Distributions and Expenses			
Distributions and related items -			
distributions to agencies	23,056,858	-	23,056,858
Less - donor designated distributions to agencies	(15,884,780)	-	(15,884,780)
Net distributions to agencies	7,172,078	-	7,172,078
Special distributions and projects	6,293,544	-	6,293,544
Total Distributions and Related Items	13,465,622	-	13,465,622
Expenses			
Fundraising	4,990,051	-	4,990,051
Donated fundraising and marketing materials and services	22,864	-	22,864
General and administrative	3,198,315	-	3,198,315
Donated general and administrative materials and services	411,695	-	411,695
Total Cost of Campaign	8,622,925	-	8,622,925
Program Services			
Community impact	2,811,727	-	2,811,727
Other program services	391,395	-	391,395
Grant expenditures	1,404,745	-	1,404,745
Total Program Services	4,607,867	-	4,607,867
Total Expenses and Program Services	13,230,792	-	13,230,792
Total Distributions and Expenses	26,696,414	-	26,696,414
Change in net assets from operating activities	(1,092,820)	2,359,160	1,266,340
Non-Operating Activities			
Investment income, net of spending policy	261,752	(18,752)	243,000
Transfer for office fit out and relocation	(8,607)	-	(8,607)
Change in Net Assets from Non-Operating Activities	253,145	(18,752)	234,393
Change in Net Assets	(839,675)	2,340,408	1,500,733
Net Assets, July 1, 2018	54,441,279	30,212,640	84,653,919
Net Assets, June 30, 2019	\$ 53,601,604	\$ 32,553,048	\$ 86,154,652

See accompanying notes to consolidated financial statements.

United Way of Greater Philadelphia and Southern New Jersey and Affiliate

Consolidated Statement of Activities and Changes in Net Assets Year Ended June 30, 2018

	Without Donor Restriction	With Donor Restriction	Total 2018
Public Support			
Annual campaign	\$ 33,010,959	\$ 6,730,992	\$ 39,741,951
Gross campaign results in prior year - released from restriction	1,781,762	(1,781,762)	-
Program restricted campaign gifts raised in prior year released from restriction	2,718,297	(2,718,297)	-
Less - amounts raised on behalf of others	(14,758,920)	222,785	(14,536,135)
Gross undesignated annual campaign	22,752,098	2,453,718	25,205,816
Provision for uncollectable pledges	(106,173)	-	(106,173)
Net annual campaign	22,645,925	2,453,718	25,099,643
Grants and other contributions	136,504	19,986	156,490
Total Public Support	22,782,429	2,473,704	25,256,133
Revenue			
Amounts received from other United Ways	139,621	-	139,621
Administrative fees on amounts raised on behalf of others	1,810,560	-	1,810,560
Legacies and bequests	167,403	15,959	183,362
Rental and miscellaneous income	370,307	-	370,307
Application of spending policy	3,506,995	-	3,506,995
Investment income	66,955	-	66,955
Donated materials and services	1,731,382	-	1,731,382
Contributions income see Note 2	1,233,945	49,604	1,283,549
Net assets released from restrictions	1,515,613	(1,515,613)	-
Total Revenue	10,542,781	(1,450,050)	9,092,731
Total Public Support and Revenue	33,325,210	1,023,654	34,348,864

See accompanying notes to consolidated financial statements.

United Way of Greater Philadelphia and Southern New Jersey and Affiliate

Consolidated Statement of Activities and Changes in Net Assets Year Ended June 30, 2018

	Without Donor Restriction	With Donor Restriction	Total 2018
Distributions and Expenses			
Distributions and related items -			
Distributions to agencies	21,022,688	-	21,022,688
Less - donor designated distributions to agencies	(12,948,360)	-	(12,948,360)
Net distributions to agencies	8,074,328	-	8,074,328
Special distributions and projects	7,346,139	-	7,346,139
Total Distributions and Related Items	15,420,467	-	15,420,467
Expenses			
Fundraising	6,755,870	-	6,755,870
Donated fundraising and marketing materials and services	949,473	-	949,473
General and administrative	3,302,737	-	3,302,737
Donated general and administrative materials and services	405,319	-	405,319
Total Cost of Campaign	11,413,399	-	11,413,399
Program Services			
Community impact	3,956,710	-	3,956,710
Donated program related materials and services	376,590	-	376,590
Other program services	687,865	-	687,865
Grant expenditures	1,600,104	-	1,600,104
Total Program Services	6,621,269	-	6,621,269
Total Expenses and Program Services	18,034,668	-	18,034,668
Total Distributions and Expenses	33,455,135	-	33,455,135
Change in net assets from operating activities	(129,925)	1,023,654	893,729
Non-Operating Activities			
Investment income, net of spending policy	577,113	521,167	1,098,280
Other income/expenses	7,717,934	-	7,717,934
Transfer for office fit out and relocation	(65,163)	-	(65,163)
Other changes in net assets	(676,899)	-	(676,899)
Change in Net Assets from Non-Operating Activities	7,552,985	521,167	8,074,152
Change in Net Assets	7,423,060	1,544,821	8,967,881
Net Assets, July 1, 2017	47,018,219	28,667,819	75,686,038
Net Assets, June 30, 2018	\$ 54,441,279	30,212,640	\$ 84,653,919

See accompanying notes to consolidated financial statements.

United Way of Greater Philadelphia and Southern New Jersey and Affiliate

Consolidated Statements of Cash Flows

Year ended June 30,	2019	2018
Cash Flows from Operating Activities		
Changes in net assets	\$ 1,500,733	\$ 8,967,881
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities:		
Contribution income (Note 2)	-	(1,283,549)
Depreciation	89,630	497,304
Net realized and unrealized gains on investments	(3,100,698)	(3,361,169)
Net realized gain on sale of fixed assets	-	(7,717,934)
Provision for uncollectible pledges, net of recoveries	960,615	106,173
Contributions restricted for endowment	(6,417)	(15,959)
Changes in assets and liabilities:		
Decrease in pledges receivable	599,861	2,146,720
(Increase) decrease in grants receivable	(4,657)	544,879
(Increase) decrease in cash surrender value of life insurance policies	(292)	397
Decrease (Increase) in other assets	299,935	(50,738)
Decrease in legacies and bequests receivable	743,583	749,687
Decrease in distributions payable to agencies	(1,397,130)	(5,604,358)
Increase (decrease) in deferred revenue	4,508	(27,560)
Increase (decrease) in accounts payable and accrued expenses	1,125,068	(911,441)
Net cash provided by (used in) operating activities	814,739	(5,959,667)
Cash flows from investing activities		
Purchases of land, building, and equipment	(75,680)	(113,045)
Net proceeds from sale of land, building, and equipment	-	10,655,760
Cash assumed as part of acquisition (Note 2)	-	1,715,487
Purchase of investments	(10,775,990)	(3,305,705)
Proceeds from sales of investments	7,194,608	4,311,227
Net cash (used in) provided by investing activities	(3,657,062)	13,263,724
Cash flows from financing activities		
Payments on mortgages and loans payable	-	(114,583)
Contributions restricted for endowment	6,417	15,959
Net cash provided by (used in) financing activities	6,417	(98,624)
Net (Decrease) Increase in Cash and Cash Equivalents	(2,835,906)	7,205,433
Cash and Cash Equivalents, beginning of year	17,012,926	9,807,493
Cash and Cash Equivalents, end of year	\$ 14,177,020	17,012,926

Supplemental Cash Flow Disclosure

Cash paid for interest was \$0 and \$18,748 for the years ended June 30, 2019 and 2018, respectively.

During 2019, UWGPSNJ wrote off \$90,031 of fully depreciated equipment.

In connection with the acquisition described in Note 2, UWGPSNJ recorded contribution income of \$1,283,549 which represented the net fair value of North Penn United Way's assets and liabilities for year ended June 30, 2018.

See accompanying notes to consolidated financial statements.

**United Way of Greater Philadelphia and Southern New Jersey
and Affiliate**

**Consolidated Statement of Functional Expenses
Year Ended June 30, 2019**

	Program Services				Support Services			2019 Total
	Community Impact	Other Program Services	Grants	Total	General and Administrative	Fundraising	Total	
Distributions to agencies	\$ 23,056,858	\$ -	\$ -	\$ 23,056,858	\$ -	\$ -	\$ -	\$ 23,056,858
Less - donor designated distributions	(15,884,780)	-	-	(15,884,780)	-	-	-	(15,884,780)
Special distributions and projects	6,293,544	-	-	6,293,544	-	-	-	6,293,544
Total Distributions	13,465,622	-	-	13,465,622	-	-	-	13,465,622
Salaries	1,526,152	35,877	337,113	1,899,142	1,867,659	2,359,502	4,227,161	6,126,303
Employee health & retirement benefits	159,830	6,956	28,107	194,893	504,405	236,649	741,054	935,947
Payroll taxes	115,213	6,523	24,491	146,227	205,459	169,803	375,262	521,489
Total Salaries and Related Benefits	1,801,195	49,356	389,711	2,240,262	2,577,523	2,765,954	5,343,477	7,583,739
Other Operating Expenses								
Professional services and contract payments	434,691	92,037	199,033	725,761	249,329	1,130,210	1,379,539	2,105,300
Donated professional services and contract payments	-	-	-	-	411,695	-	411,695	411,695
Office services	20	184	3	207	267,070	1,657	268,727	268,934
Supplies	61,193	96,727	248,879	406,799	5,203	23,567	28,770	435,569
Telephone	15,754	11,641	1,694	29,089	11,842	25,175	37,017	66,106
Postage and shipping	194	730	82	1,006	25,542	688	26,230	27,236
Occupancy	208,127	42,978	3,388	254,493	219,470	287,000	506,470	760,963
Donated occupancy	-	-	-	-	-	22,864	22,864	22,864
Outside printing, artwork and advertising	13,937	7,702	30,237	51,876	6,105	104,542	110,647	162,523
Travel, training and meetings	61,736	57,414	44,602	163,752	60,449	190,801	251,250	415,002
Grant overhead reimbursement	27,744	-	424,902	452,646	(452,646)	-	(452,646)	-
Membership dues	36,762	7,338	50	44,150	7,386	6,254	13,640	57,790
Equipment rental and repairs	28,127	8,271	1,090	37,488	36,052	236,254	272,306	309,794
Miscellaneous	-	-	-	-	28,051	-	28,051	28,051
Depreciation of building and equipment	19,048	2,652	9,516	31,216	24,454	33,960	58,414	89,630
United Way Worldwide dues	103,199	14,365	51,558	169,122	132,485	183,989	316,474	485,596
Total Other Operating Expenses	1,010,532	342,039	1,015,034	2,367,605	1,032,487	2,246,961	3,279,448	5,647,053
Total Operating Expenses	2,811,727	391,395	1,404,745	4,607,867	3,610,010	5,012,915	8,622,925	13,230,792
Total Expenses	\$ 16,277,349	\$ 391,395	\$ 1,404,745	\$ 18,073,489	\$ 3,610,010	\$ 5,012,915	\$ 8,622,925	\$ 26,696,414

See accompanying notes to consolidated financial statements.

United Way of Greater Philadelphia and Southern New Jersey and Affiliate

Consolidated Statement of Functional Expenses Year Ended June 30, 2018

	Program Services				Support Services			2018 Total
	Community Impact	Other Program Services	Grants	Total	General and Administrative	Fundraising	Total	
Distributions to agencies	\$ 21,022,688	\$ -	\$ -	\$ 21,022,688	\$ -	\$ -	\$ -	\$ 21,022,688
Less - donor designated distributions	(12,948,360)	-	-	(12,948,360)	-	-	-	(12,948,360)
Special distributions and projects	7,346,139	-	-	7,346,139	-	-	-	7,346,139
Total Distributions	15,420,467	-	-	15,420,467	-	-	-	15,420,467
Salaries	2,295,726	118,787	497,873	2,912,386	2,023,210	3,077,308	5,100,518	8,012,904
Employee health & retirement benefits	368,538	26,059	84,476	479,073	330,943	442,792	773,735	1,252,808
Payroll taxes	172,629	13,197	48,243	234,069	150,729	239,274	390,003	624,072
Total Salaries and Related Benefits	2,836,893	158,043	630,592	3,625,528	2,504,882	3,759,374	6,264,256	9,889,784
Other Operating Expenses								
Professional services and contract payments	146,288	154,292	158,123	458,703	327,627	1,626,110	1,953,737	2,412,440
Donated professional services and contract payments	-	-	-	-	405,319	-	405,319	405,319
Office services	-	-	-	-	259,106	-	259,106	259,106
Supplies	104,202	91,620	243,439	439,261	7,569	10,700	18,269	457,530
Telephone	21,970	4,346	467	26,783	12,627	23,168	35,795	62,578
Postage and shipping	701	1,165	960	2,826	20,458	18,298	38,756	41,582
Occupancy	290,617	28,827	4,326	323,770	189,984	273,759	463,743	787,513
Donated occupancy	-	-	-	-	-	22,361	22,361	22,361
Outside printing, artwork and advertising	48,857	60,079	48,417	157,353	13,545	189,803	203,348	360,701
Donated outside printing, artwork and advertising	376,590	-	-	376,590	-	927,112	927,112	1,303,702
Travel, training and meetings	63,863	126,535	83,572	273,970	38,643	348,379	387,022	660,992
Grant overhead reimbursement	28,344	-	428,397	456,741	(456,741)	-	(456,741)	-
Membership dues	16,779	7,241	-	24,020	8,116	8,713	16,829	40,849
Equipment rental and repairs	40,101	11,389	1,811	53,301	38,732	42,081	80,813	134,114
Miscellaneous	-	-	-	-	125,377	20,120	145,497	145,497
Depreciation of building and equipment	169,505	20,983	-	190,488	100,735	206,081	306,816	497,304
United Way Worldwide dues	188,590	23,345	-	211,935	112,077	229,284	341,361	553,296
Total Other Operating Expenses	1,496,407	529,822	969,512	2,995,741	1,203,174	3,945,969	5,149,143	8,144,884
Total Operating Expenses	4,333,300	687,865	1,600,104	6,621,269	3,708,056	7,705,343	11,413,399	18,034,668
Total Expenses	\$ 19,753,767	\$ 687,865	\$ 1,600,104	\$ 22,041,736	\$ 3,708,056	\$ 7,705,343	\$ 11,413,399	\$ 33,455,135

See accompanying notes to consolidated financial statements.

United Way of Greater Philadelphia and Southern New Jersey and Affiliate

Notes to Consolidated Financial Statements June 30, 2019 and 2018

1. Organization

The United Way of Greater Philadelphia and Southern New Jersey (UWGPSNJ) is a voluntary organization whose mission is to improve people's lives by mobilizing the caring power of donors, volunteers, and communities. UWGPSNJ is a tax-exempt organization under the Internal Revenue Code Section 501(c)(3) and has been classified by the Internal Revenue Service as a publicly-supported organization. UWGPSNJ is governed by a volunteer Board of Directors.

UWGPSNJ conducts an annual campaign that raises funds to address the most pressing needs in the community through its Community Impact Fund. Donors to the campaign who contribute to the Community Impact Fund allow their funds to be allocated in accordance with UWGPSNJ's Community Solutions Agenda developed by UWGPSNJ's Community Impact Committee, which reports to the Board of Directors. Donors may also designate their funds to one or more tax-exempt organizations.

The accompanying consolidated financial statements include the accounts of United Way of Greater Philadelphia and Southern New Jersey ("UWGPSNJ"), and Strategic Community Solutions ("SCS"), collectively the "United Way". SCS is an entity controlled by UWGPSNJ.

SCS is a not-for-profit organization incorporated as a separate but supporting organization of UWGPSNJ. SCS was formed to accept non-traditional gifts, such as real estate, art, etc. in support of UWGPSNJ's Community Impact Plan. SCS is a tax-exempt organization under the Internal Revenue Code Section 501(c)(3).

2. Summary of Significant Accounting Policies

Basis of Accounting and Presentation

The consolidated financial statements of UWGPSNJ have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (US GAAP).

All intercompany accounts and transactions are eliminated for consolidation.

Not-for-profit accounting standards require reporting of total assets, liabilities, and net assets in a statement of financial position; reporting the change in net assets in a statement of activities; and reporting sources and uses of cash and cash equivalents in a statement of cash flows. Net assets, revenues and gains, and expenses and losses are classified as with or without donor restrictions based on the existence or absence of donor-imposed restrictions.

Recent Accounting Pronouncements

Revenue from Contracts with Customers

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers* (Topic 606), which is a comprehensive new revenue recognition standard that will supersede existing revenue recognition guidance. The core principle of the guidance is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. FASB issued ASU 2020-04 that deferred the effective date for the UWGPSNJ until annual periods beginning after December 15,

United Way of Greater Philadelphia and Southern New Jersey and Affiliate

Notes to Consolidated Financial Statements June 30, 2019 and 2018

2019. Earlier adoption is permitted subject to certain limitations. The amendments in this update are required to be applied retrospectively to each prior reporting period presented or with the cumulative effect being recognized at the date of initial application. Management is currently evaluating the impact of this ASU on its consolidated financial statements.

Leases

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-02, *Leases* (Topic 842), to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the statement of financial position and disclosing key information about leasing arrangements for lessees and lessors. The new standard applies a right-of-use (ROU) model that requires, for all leases with a lease term of more than 12 months, an asset representing its right to use the underlying asset for the lease term and a liability to make lease payments to be recorded. FASB issued ASU 2020-04 that deferred the effective date for the UWGPSNJ until annual periods beginning after December 15, 2021, with early adoption permitted. Management is currently evaluating the impact of this ASU on its consolidated financial statements.

Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made

In June 2018, the FASB issued ASU 2018-08, *Not-for-Profit Entities (Topic 958), Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. This ASU was issued to standardize how grants and other contracts received and made are classified across the sector, as either an exchange transaction or a contribution. The standard provides guidance to assist in the determination of whether a transaction is a contribution or an exchange transaction. If the transaction is deemed to be a contribution the guidance provides factors to consider with regard to whether the contribution is conditional or unconditional. For contributions received, if determined to be an unconditional contribution, the determination will then need to be made as to whether the contribution is restricted. The ASU will assist in the determination of the nature of the transaction which will then govern the revenue and expense recognition methodology and timing of the transaction. The ASU is effective for transactions in which the entity serves as the resource recipient to annual periods beginning after December 15, 2018 and effective for transactions in which the entity serves as a resource provider to annual periods beginning after December 15, 2019. Management is currently evaluating the impact of this ASU on its consolidated financial statements.

Fair Value Measurements

In August 2018, the FASB issued ASU 2018-13 - *Fair Value Measurement (Topic 820): Disclosure Framework - Changes to the Disclosure Requirements for Fair Value Measurement*, which includes amendments intended to improve the effectiveness of disclosure requirements for recurring and nonrecurring fair value measurements. The standard removes, modifies and adds certain disclosure requirements and affects companies that are required to include fair value measurement disclosures. For nonpublic entities, the disclosure for the changes in the unrealized gains and losses included in earnings for recurring Level 3 fair value measurements held at the end of the period are no longer required. In lieu of a rollforward for Level 3 fair value measurements, a nonpublic entity is required to disclose transfers into and out of Level 3 of the fair value hierarchy and purchases and issues of Level 3 assets and liabilities. The amendments in this update are effective for fiscal years beginning after December 15, 2019, and interim periods within those fiscal years. Early adoption for

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Notes to Consolidated Financial Statements June 30, 2019 and 2018

amendments that remove or modify disclosures are permitted. Management is currently evaluating the impact of this ASU on its consolidated financial statements.

Accounting Pronouncements Adopted

Presentation of Financial Statements of Not-for-Profit Entities

In August 2016, the FASB issued ASU 2016-14, *Not-for-Profit Entities (Topic 958) - Presentation of Financial Statements of Not-for-Profit Entities*. The update addresses the complexity and understandability of net asset classification, provides information about liquidity and availability of resources and improves the type of information provided about expenses and investment return. UWGPSNJ has applied the ASU retrospectively to all periods presented except UWGPSNJ has opted to present the liquidity and availability information for 2019 only as permitted under the ASU. Other than the changes to the consolidated financial statement presentation and disclosures described above, adoption of the ASU did not have a significant impact on the consolidated financial statements.

Reclassifications

Certain accounts in 2018 consolidated financial statements have been reclassified to conform with the current year financial statement presentation.

Use of Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash Equivalents

UWGPSNJ considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

Investments

Investments are stated at fair value in the consolidated statements of financial position (see Note 3). Realized and unrealized gains and losses on investments are reported as increases or decreases in the consolidated statements of activities and changes in net assets. The gains and losses are recorded in the net asset category where the related investment income is reported, in accordance with donor stipulations.

Investment income is shown net of related expenses of \$175,484 and \$156,670 for the years ended June 30, 2019 and 2018, respectively, on the consolidated statements of activities and changes in net assets. Related expenses consist of bank fees, custodian fees, and investment advisory fees.

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Fair Value of Financial Instruments

Financial instruments consist of cash and cash equivalents, pledges receivable, grants receivable, legacies and bequests receivable, investments, distributions payable, and accounts payable and accrued expenses. The carrying amounts reported in the consolidated statements of financial position for cash and cash equivalents, pledges receivable, grants receivable, legacies and bequests receivable, investments, distributions payable, and accounts payable and accrued expenses approximate fair value.

Concentration of Credit Risk

UWGPSNJ is required to disclose significant concentrations of credit risk regardless of the degree of such risk. From time to time, UWGPSNJ maintains bank deposits at financial institutions that exceed the limit of insurability under the Federal Deposit Insurance Corporation. In addition, UWGPSNJ's investments consist of a variety of financial instruments. The related values, as presented in the consolidated financial statements, are subject to various market fluctuations that include changes in equity markets, the interest rate environment, and general economic conditions.

Pledges Receivable/Promises to Give

Contributions are recognized as revenue when they are received or unconditionally pledged. Unconditional promises to give that are expected to be collected within one year are recorded at their net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of estimated future cash flows. The discounts on those amounts are computed using the effective interest rate applicable to the donor in the year in which the promise is received. Amortization of the discount is included in public support revenue. Conditional promises to give are not included in public support revenue until such time as the conditions are substantially met. An allowance for uncollectible pledges/promises to give is provided based upon management's judgment, including such factors as prior collection history, type of contribution, and nature of fundraising activity.

Land and Equipment

Land and equipment are recorded at cost and depreciated on a straight-line basis over the estimated useful lives of the respective assets which is 3 to 10 years for equipment, furniture and fixtures. UWGPSNJ follows the practice of capitalizing all expenditures for equipment, furniture and fixtures in excess of \$1,000. Repairs and maintenance are charged to expense when incurred.

Donated property and equipment is recorded at fair value on the date of receipt as an increase in net assets without donor restrictions, unless the donor stipulates otherwise. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash and other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how these long-lived assets must be maintained, UWGPSNJ reports expiration of donor restrictions when the asset is placed into service. The cost and accumulated depreciation of property, sold or retired, is removed from the related asset and accumulated depreciation accounts, and the resulting gain or loss is recorded in the period of disposal.

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Impairment of Long-Lived Assets

In accordance with the accounting standard related to the accounting for the impairment or disposal of long-lived assets, management assesses whether there are indicators that the value of UWGPSNJ's long-lived assets may be impaired whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The value of a long-lived asset may be impaired if management's estimate of the aggregate, undiscounted future cash flows to be generated from the use or disposition of a long-lived asset are less than the carrying value of the asset. If impairment has occurred, the loss shall be measured as the excess of the carrying amount of the asset over its fair value.

Distributions Payable

Distributions payable represent amounts that are due periodically to UWGPSNJ's network of agencies and others. UWGPSNJ records distributions payable to agencies upon approval by the Board of Directors. Also included in this balance is the amount payable related to donor designations. This amount represents the liability relating to funds to be distributed according to the designations stipulated by individual donors pursuant to UWGPSNJ's Donor Choice Program.

Deferred Revenue

Deferred revenue represents advanced funding under federal, state and local grant contracts.

Net Assets

Net Assets Without Donor Restrictions

Net assets without donor restrictions are available for use at the discretion of the Board of Directors (the Board) and/or management for general operating purposes. From time to time the Board designates a portion of these net assets for specific purposes which makes them unavailable for use at management's discretion. For example, the Board has designated a portion of net assets without donor restrictions as a quasi-endowment (an amount to be treated by management as if it were part of the donor restricted endowment) for the purpose of securing the UWGPSNJ's long-term financial viability. See Note 11 for more information on the composition of net assets without donor restrictions.

Net Assets With Donor Restrictions

Net assets with donor restrictions consist of assets whose use is limited by donor-imposed, time and/or purpose restrictions. UWGPSNJ reports gifts of cash and other assets as revenue with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends, or purpose restriction is accomplished, the net assets are reclassified as net assets without donor restriction and reported in the consolidated statement of activities as net assets released from restrictions.

Some net assets with donor restrictions include a stipulation that assets provided be maintained permanently (perpetual in nature) while permitting UWGPSNJ to expend the income generated by the assets in accordance with the provisions of additional donor-imposed stipulations or a Board approved spending policy. See Notes 12 and 13 for more information on the composition of net assets with donor restrictions and the release of restrictions, respectively.

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Annual Campaign

Contributions to the annual campaign (conducted in the fall of the preceding calendar year) are recorded in the consolidated statements of activities and changes in net assets as with or without donor restrictions, depending on the existence and/or nature of any donor restrictions. These contributions to the annual campaign, which are in the form of cash and pledges, are recorded as support when the cash or pledges are received, and are considered to be available for unrestricted use unless specifically restricted by the donor. Allowances for uncollectible contributions receivable are provided based upon management's judgment, including such factors as prior collection history, type of contribution, and nature of fund-raising activity.

Contributions with donor stipulations that limit the use of the donated assets are reported as with donor restrictions. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, with donor restricted net assets are reclassified to net assets without donor restrictions and are reported in the consolidated statements of activities and changes in net assets as "gross campaign results in prior year-released from restrictions", or "program restricted campaign gifts raised in prior year released from restrictions". UWGPSNJ classifies all contributions with donor-imposed restrictions as net assets without donor restrictions support if those restrictions are satisfied in the same reporting period in which the contribution is made.

Amounts Raised on Behalf of Others

Amounts raised on behalf of others represent designated pledges and are deducted from gross annual campaign revenues on the accompanying consolidated statements of activities and changes in net assets in accordance with US GAAP.

Grants and Other Contributions

Grants and other contributions include all grants and non-campaign contributions (other than legacies and bequests) that have been committed to UWGPSNJ during the fiscal year. Multi-year grants representing non-exchange transactions and non-campaign contributions committed during the fiscal year to be used for specific purposes at some point in the future are reported as net assets with donor restriction until used for the intended purpose as stated above.

Donated Materials and Services

A substantial number of volunteers have donated significant amounts of time to UWGPSNJ's fundraising campaign and other program services. No amounts have been reflected in the accompanying consolidated financial statements since the cost of these services does not meet the criteria for recognition under US GAAP. UWGPSNJ does include the fair value of definitive donations such as professional services, printed materials, and advertising related to its annual campaign, which was \$434,599 pending UWW confirmation and \$1,731,382 for the years ended June 30, 2019 and 2018, respectively.

Program Services

Program services expenses include costs incurred to provide training and technical assistance to local youth, to provide low cost training to local human service agencies, to provide resources for union members, families, and leaders, and to promote volunteer and civic engagement.

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Functional Allocation of Expenses

The costs of providing the various programs and other activities of UWGPSNJ are presented on a functional basis in the consolidated statements of activities and changes in net assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Costs that are deemed allocable to programs and services are allocated based on distribution of staff time. These allocations are presented in the consolidated statements of functional expenses.

Operating Indicator

UWGPSNJ utilizes changes in net assets without donor restrictions from operating activities as its performance indicator. This amount is composed of revenue and expenses resulting from the annual campaign, rental and miscellaneous income, and investment income used for operations through the annual spending policy on endowment funds. It excludes such activity as realized and unrealized gains or losses not used for operations through the spending policy and gains and losses resulting from the disposal of fixed assets. In general, changes in net assets without donor restrictions from operating activities should be at or near zero, as funds raised through the annual campaign, net of expenses, are distributed to the community.

Acquisition of North Penn United Way

UWGPSNJ acquired North Penn United Way effective July 1, 2017 for no additional consideration. The transaction was accounted for as an acquisition and the identifiable assets and liabilities were recorded at fair value with the assets in excess of liabilities resulting in contribution income of \$1,283,549. The fair value of the identifiable assets and liabilities acquired in the North Penn United Way acquisition at the acquisition date were as follows:

Cash and cash equivalents	\$	1,715,488
Pledges receivable, net		239,024
Other current assets		7,729
Investments		72,538
Land, building, and equipment		3,135
Cash surrender value of life insurance		52,590
Distributions payable to agencies		(788,892)
Accounts payable and accrued expenses		(18,063)
<hr/>		
Contribution income	\$	1,283,549

Sale of Parkway Property

In April 2018, UWGPSNJ sold its property located on the Benjamin Franklin Parkway. The sale price of the property was \$10,850,000. UWGPSNJ recognized a gain on the sale of \$7,831,048 for the year ended June 30, 2018 which was included in other income/expense in the consolidated statement of activities and changes in net assets.

Sale of Atlantic County Property

In June 2018, UWGPSNJ sold its property located in Galloway Township, Atlantic County, New Jersey. The sale price of the property was \$350,000. UWGPSNJ recognized a loss on the sale of \$113,114 for

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Notes to Consolidated Financial Statements June 30, 2019 and 2018

the year ended June 30, 2018 which was included in other income/expense in the consolidated statement of activities and changes in net assets.

3. Investments - Fair Value Measurements

Generally accepted accounting principles defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The guidance establishes a three-tier hierarchy to distinguish between (1) inputs that reflect the assumptions market participants would use in pricing an asset or liability developed based on market data obtained from sources independent of the reporting entity (observable inputs) and (2) inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing an asset or liability developed based on the best information available in the circumstances (unobservable inputs) and to establish a classification of fair value measurements for disclosure purposes. The hierarchy prioritizes the inputs into three broad levels as follows:

- Level 1: Inputs are quoted prices in active markets for identical assets or liabilities.
- Level 2: Inputs are quoted prices for similar assets or liabilities in an active market, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable and market-corroborated inputs which are derived principally from or corroborated by observable market data.
- Level 3: Inputs are derived from valuation techniques in which one or more significant inputs or value drivers are unobservable.

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Notes to Consolidated Financial Statements June 30, 2019 and 2018

The following table presents information about UWGPSNJ's investment securities that were measured at fair value on a recurring basis as of June 30, 2019 and 2018 by level within the fair value hierarchy:

<i>June 30, 2019</i>	Total Fair Value	Level 1	Level 2	Level 3
Cash and cash equivalents	\$ 9,201,152	\$ 9,201,152	\$ -	\$ -
Mutual funds:				
Bond	90,188	90,188	-	-
U.S. Treasury securities	2,647,420	2,647,420	-	-
Corporate debt securities	3,832,586	-	3,832,586	-
Government agency securities	349,802	349,802	-	-
Pooled income fund	11,388	-	11,388	-
Limited partnership/LLC interest	31,764,560	-	-	31,764,560
Beneficial interests in trusts	2,283,391	-	-	2,283,391
Total investments at fair value	50,180,487	12,288,562	3,843,974	34,047,951
Multi-asset fund*	22,112,087	-	-	-
Less: short-term investments	(16,121,148)	(12,288,562)	(3,832,586)	-
Long-Term Investments	\$ 56,171,426	\$ -	\$ 11,388	\$ 34,047,951
<i>June 30, 2018</i>	Total Fair Value	Level 1	Level 2	Level 3
Cash and cash equivalents	\$ 217,807	\$ 217,807	\$ -	\$ -
Mutual funds:				
Bond	12,915	12,915	-	-
U.S. Treasury securities	2,236,754	2,236,754	-	-
Corporate debt securities	3,698,004	-	3,698,004	-
Government agency securities	625,909	625,909	-	-
Pooled income fund	10,870	-	10,870	-
Limited partnership/LLC interest	33,532,182	-	-	33,532,182
Beneficial interests in trusts	2,294,860	-	-	2,294,860
Total investments at fair value	42,629,301	3,093,385	3,708,874	35,827,042
Multi-asset fund*	22,981,193	-	-	-
Less: short-term investments	(6,791,389)	(3,093,385)	(3,698,004)	-
Long-Term Investments	\$ 58,819,105	\$ -	\$ 10,870	\$ 35,827,042

* Certain investments for which fair value is measured using the NAV per share as the practical expedient have not been categorized within the fair value hierarchy. The fair value amounts presented in this table are intended to reconcile the fair value hierarchy to the amounts presented in the Statements of Financial Position.

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The following table presents a reconciliation of the beginning and ending balance of assets with fair value measurements using unobservable inputs (Level 3) as of June 30, 2019 and 2018:

	Limited Partnership/LLC Interest	Beneficial Interests in Trusts	Total
Balance at July 1, 2018	\$ 33,532,182	\$ 2,294,860	\$ 35,827,042
Total realized and unrealized gains	2,992,205	148,502	3,140,707
Purchase of level 3 securities	425,578	-	425,578
Distributions	(5,185,405)	(159,971)	(5,345,376)
Balance at June 30, 2019	\$ 31,764,560	\$ 2,283,391	\$ 34,047,951

	Limited Partnership/ LLC Interest	Beneficial Interests in Trusts	Total
Balance at July 1, 2017	\$ 31,230,901	\$ 2,250,936	\$ 33,481,837
Total realized and unrealized gains	2,851,588	137,171	2,988,759
Purchase of level 3 securities	1,094,573	-	1,094,573
Distributions	(1,644,880)	(93,247)	(1,738,127)
Balance at June 30, 2018	\$ 33,532,182	\$ 2,294,860	\$ 35,827,042

The level within which the fair value measurement falls is determined based on the lowest level that is significant to the fair value measurement.

Cash and Cash Equivalents represent short-term securities purchased with an original maturity of three months or less and money market mutual funds. They are classified within Level 1 as fair values and are based on quoted market prices.

Mutual Funds represent an actively managed portfolio of registered securities. These securities trade in active markets. They are classified within Level 1 as fair values are based on quoted market prices.

U.S. Treasury Securities and Government Agency Securities represent an actively managed portfolio of registered securities. The individual issues within the portfolio are actively traded bonds among broker dealers. These securities are classified within Level 1 as fair values are based upon quoted market prices.

Corporate Debt Securities represent bonds that are sold in a dealer market. These bonds trade based upon a bid-ask spread. The dealers use matrix pricing in determining their value. As such, these securities are classified as Level 2 as inputs are obtained from other valuation methodologies.

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Limited Partnership/LLC Interest - The underlying partnership includes investments organized by type (cash and investments in other funds) with an indication of whether they were valued with Level 1, Level 2, or Level 3 inputs. The interest in the partnership is valued from a macro perspective due to the nature of the investment type. These financial instruments are valued as level 3 as they are not freely transferable and require approval before withdraw.

Beneficial Interests in Trusts - The underlying trusts include: money markets, equity securities, and mutual funds. The interests in the trusts are valued using a market approach. These financial instruments are considered to be Level 3 in the fair value hierarchy.

Multi-Asset Fund - The underlying assets of the fund includes investments organized by type (cash and investments in other funds). The interest in the fund is valued from a macro perspective due to the nature of the investment type. These financial instruments are considered to be valued at NAV and are, therefore, excluded from the fair value hierarchy.

The following provides a description of the types of non-recurring financial instruments UWGPSNJ holds, the methodology for estimating fair value, and the level within the hierarchy of the estimate:

Pledges receivable/grants receivable/legacies and bequests receivable - All multi-year pledges, grants, and legacies and bequests received in fiscal years 2019 and 2018 are recorded at the present value of future cash flows with a discount rate adjusted for any market conditions to arrive at fair value. These are considered Level 2 inputs.

Distributions payable - All multi-year distributions committed in fiscal years 2019 and 2018 are recorded at the present value of future cash flows with a discount rate adjusted for any market conditions to arrive at fair value. These are considered Level 2 inputs.

Investments Measured at NAV

UWGPSNJ has a policy which permits investments that do not have a readily determinable fair value, as such, to use the NAV per share as calculated on the reporting entity's measurement date as the fair value of the investment. UWGPSNJ measures the fair value of an investment that does not have a readily determinable fair value, based on the NAV of the investments as a practical expedient, without further adjustments, unless it is probable that the investment will be sold at an amount significantly different than the NAV. If the practical expedient NAV is not as of the reporting entity's measurement date, then the NAV is adjusted to reflect any significant events that would materially affect the value of the security and the NAV of UWGPSNJ as of the valuation date. In using the NAV as a practical expedient, certain attributes of the investments, that may impact the fair value of the investment, are not considered in measuring fair value. Attributes of those investments include the investment strategies of the investees and may also include, but are not limited to, restrictions on the investor's ability to redeem its investments at the measurement date at NAV as well as any unfunded commitments.

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A listing of the investments held by UWGPSNJ and their attributes, that may qualify for these valuations consist of the following as of June 30, 2019 and 2018:

<i>June 30, 2019</i>	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Multi-asset fund	\$ 22,112,087	\$ -	Daily	N/A

<i>June 30, 2018</i>	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Multi-asset fund	\$ 22,981,193	\$ -	Daily	N/A

4. Pledges Receivable

Pledges receivable represent unconditional promises to give. Pledges receivable consist of the following as of June 30, 2019 and 2018:

<i>June 30,</i>	2019	2018
Pledges receivable related to current campaign	\$ 9,647,108	\$ 10,233,747
Pledges receivable related to dollars processed on behalf of other United Ways	5,354,660	6,600,404
Allowance for uncollectible pledges	(1,920,479)	(2,108,153)
Net pledges receivable related to current campaign, current	13,081,289	14,725,998
Pledges receivable related to prior campaigns	4,758,730	4,013,825
Allowance for uncollectible pledges	(3,669,143)	(3,577,023)
Net pledges receivable related to prior campaigns, current	1,089,587	436,802
Pledges receivable related to future campaigns due in less than one year	2,849,995	1,967,015
Pledges receivable related to future campaigns due in two to four years	2,643,440	4,161,453
Discount on pledges	(125,594)	(192,075)
Net pledges receivable related to future campaigns	5,367,841	5,936,393
Total pledges receivable, net	\$ 19,538,717	\$ 21,099,193

Long-term pledges receivable at June 30, 2019 represent the balance of multi-year campaign pledges received for the Fall, 2019, 2020 and 2021 Campaigns. The gross amount of these pledges for the year ended June 30, 2019 was \$5,493,436 and is reported net of a discount on future payments of \$125,594. The discount was calculated using the interest rate range of 1.71% to 1.76%. There was no provision for uncollectible accounts as of June 30, 2019.

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Notes to Consolidated Financial Statements June 30, 2019 and 2018

An analysis of changes in the allowance for uncollectible pledges is as follows:

<i>June 30,</i>	2019	2018
Balance, beginning of year	\$ 5,685,176	\$ 7,772,074
Allowance for uncollectible pledges:		
Designated	887,887	1,032,303
Undesignated	1,032,592	1,075,850
Allowance from North Penn Acquisition	-	80,000
Pledges written off	(588,731)	(2,714,513)
Reversal of prior years' designated reserve	(1,168,884)	(117,873)
Reversals of prior years' undesignated reserve	(258,417)	(1,442,665)
Balance, end of year	\$ 5,589,623	\$ 5,685,176

The allowance for uncollectible pledges is computed based upon a five-year historical average, applied to gross campaign pledges. Reversal of prior years' reserves represents a change in the estimated allowance for uncollectible pledges for prior years' campaigns.

5. Grants Receivable

Grants receivable represents amounts receivable for various grants awarded to UWGPSNJ. Based on historical collections, no provision for uncollectible accounts has been reserved for grants receivable as of June 30, 2019 and 2018.

6. Legacies and Bequests Receivable

Legacies and bequests receivable consist of the following as of June 30, 2019 and 2018:

<i>June 30,</i>	2019	2018
Due in less than one year	\$ 500,000	\$ 750,000
Due in one to five years	-	500,000
Legacies and bequests receivable gross	500,000	1,250,000
Less: unamortized discount	-	(6,417)
Legacies and bequests receivable, net	\$ 500,000	\$ 1,243,583

Legacies and bequests receivable that are expected to be received in more than one year are discounted at a rate of 1.30% as of June 30, 2018. Amortization of the discount is recorded as additional contributed revenue. An allowance for uncollectible pledges is recorded based on management's assessment of each commitment and the probability that it could change prior to collection. No provision for uncollectible accounts has been reserved as of June 30, 2019 and 2018.

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7. Land and Equipment

Land and equipment consisted of the following as of June 30, 2019 and 2018:

<i>June 30,</i>	2019	2018
Equipment, furniture and fixtures	\$ 3,436,989	\$ 3,451,339
Less: accumulated depreciation	(3,174,652)	(3,175,053)
Land, building, and equipment, net	\$ 262,337	\$ 276,287

Depreciation expense was \$89,630 and \$497,304 for the years ended June 30, 2019 and 2018, respectively.

8. Pension Plans

UWGPSNJ sponsors a defined contribution 403(b) plan for all eligible employees. Employees may elect to defer up to \$18,500 in pretax contributions to the 403(b) plan. Employees over 50 years of age may contribute \$24,000 in pretax contributions to the 403(b) plan. UWGPSNJ matches 50% of pretax employee contributions not to exceed the lesser of (i) 6% of salary or \$3,000 for full-time employees or (ii) 6% of compensation or \$1,500 for part-time employees.

UWGPSNJ may also make a discretionary contribution to the 403(b) plan on behalf of all eligible employees, based upon a percentage of their compensation for the calendar year. In addition, all eligible employees who, as of June 30, 2003, (i) had completed 15 years of service or (ii) were age 50 and completed 10 years of service received an additional amount equal to 10% of their compensation for the year. UWGPSNJ contributions to the 403(b) plan was \$251,273 and \$319,007 for the years ended June 30, 2019 and 2018, respectively.

9. Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses consist of the following as of June 30:

	2019	2018
Accounts payable	\$ 2,182,250	\$ 597,791
Accrued salaries and vacation	286,634	619,864
Fundraising fee reimbursements due to other United Ways	493,861	576,971
Other accrued expenses	670,886	713,937
	\$ 3,633,631	\$ 2,508,563

10. Loan Payable

In June 2014, UWGPSNJ borrowed \$500,000 for building renovations. The loan was payable in equal monthly principal payments of \$10,417 with the final payment due in May 2018. The interest rate on this loan was fixed at 3.95% annually. The loan was paid off in full during 2018.

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Notes to Consolidated Financial Statements June 30, 2019 and 2018

11. Board Designated Net Assets

A portion of net assets without donor restrictions has been designated by the Board of Directors for the following purposes as of June 30:

	2019	2018
Memorial/Endowment funds	\$ 39,647,938	\$ 39,027,831
Land, Building and Equipment	276,287	276,287
Education	946,525	946,525
Basic Needs	1,180,878	1,180,878
Financial Stability	1,511,361	1,511,361
Health	613,200	613,022
Stabilization Reserve	975,195	975,195
Capacity Building	361,200	361,200
Strategic Long Range Initiatives	669,662	2,122,671
Office Relocation	1,226,229	1,234,831
Engagement	120,000	120,000
Other	53,279	52,987
Total board designated net assets	\$ 47,581,574	\$ 48,422,788

In order to honor the bequests of significant donors and the amounts received in relationship to the distribution of the net assets, the Board has established several memorial funds. The Board has also established a General Fund for various bequests, memorial, and donor gifts. These funds had the following values as of June 30:

Name of Memorial Fund	2019	2018
General Fund	\$ 24,385,338	\$ 24,094,902
Gladys L. Lit Fund	4,587,807	4,560,941
Parkway Sale Fund	4,982,922	4,982,922
1956 Otto Haas Charitable Fund	1,268,182	1,260,753
Lon Greenberg Fund	1,064,091	1,058,044
James Stewart Fund	901,752	654,022
North Penn United Way	638,658	607,909
Western Home Fund	516,597	513,571
Rebecca C. Daly Fund	406,360	403,978
Linda and Tony Conti Fund	259,940	258,240
Jacob Gimbel Fund	247,949	246,496
Peritz S. Berman Fund	194,800	193,655
Mrs. Gerald F. Rorer Fund	193,542	192,398
	\$ 39,647,938	\$ 39,027,831

United Way of Greater Philadelphia and Southern New Jersey and Affiliate

Notes to Consolidated Financial Statements June 30, 2019 and 2018

12. Net Assets With Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes as of June 30:

	2019	2018
Perpetual (Note 13):		
Endowment funds	\$ 11,750,893	\$ 11,744,477
Donor-restricted for purpose or time:		
Time restrictions	9,955,251	9,179,312
Program restrictions	10,846,904	9,288,851
	\$ 32,553,048	\$ 30,212,640

Net Assets Released from Donor Restrictions

Net assets are released from donor restrictions by incurring expenses, satisfying the restricted purposes, or by occurrences of other events specified by donors were as follows:

	2019	2018
Fulfillment of program restrictions	\$ 4,263,171	\$ 4,233,910
Gross campaign results received in prior year released from restrictions (time)	1,486,301	1,781,762
	\$ 5,749,472	\$ 6,015,672

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United Way of Greater Philadelphia and Southern New Jersey and Affiliate

Notes to Consolidated Financial Statements June 30, 2019 and 2018

13. Net Assets With Donor Restriction Held in Perpetuity

Net asset with donor restriction held in perpetuity as of June 30, 2019 and 2018 are as follows:

	2019	2018
John Haas Fund	\$ 8,988,695	\$ 8,950,903
United Way of Camden County Irrevocable Trusts	2,280,442	2,291,910
Mr. & Mrs. Robert E. Cawthorn Fund	1,297,800	1,290,190
Solomon Allinger Fund	848,750	843,735
United Way of Western Montgomery County Endowment Fund	633,929	629,957
Frederick McOwen Fund	521,083	518,005
United Way of Camden County Poverty Fund	126,683	125,874
Alma and Sylvan Cohen Fund	84,345	83,847
Samuel Fels Fund	22,149	22,018
Hannah Merzbacher Fund	15,057	14,968
Gustav Soulas Fund	14,649	14,563
Total, at fair value	14,833,583	14,785,970
Less: cumulative appreciation reported in net assets with donor restrictions	(3,082,689)	(3,041,493)
Total	\$ 11,750,893	\$ 11,744,477

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United Way of Greater Philadelphia and Southern New Jersey and Affiliate

Notes to Consolidated Financial Statements June 30, 2019 and 2018

14. Endowments

UWGPSNJ's endowments consist of approximately 30 individual funds established for a variety of purposes. The endowments consist of both donor-restricted endowment funds and funds designated by the Board of Directors to function as endowments. As required by US GAAP, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based upon the existence or absence of donor-imposed restrictions.

The Board of Directors of UWGPSNJ has interpreted Pennsylvania Act 141 as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds, to the extent that there are no donor stipulations to the contrary. UWGPSNJ classifies the original value of gifts donated to the permanent endowment and the original value of subsequent gifts made to the permanent endowment as net assets with donor restrictions until those amounts are appropriated for expenditure by UWGPSNJ in a manner consistent with the standard of prudence described by Pennsylvania Act 141.

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United Way of Greater Philadelphia and Southern New Jersey and Affiliate

Notes to Consolidated Financial Statements June 30, 2019 and 2018

The following tables provide endowment composition by fund and endowment activity as of and for the year ended June 30, 2019:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net composition by type of fund as of June 30, 2019:			
Undesignated endowment funds	\$ 4,526,312	\$ -	\$ 4,526,312
Donor restricted endowment funds	16,001	21,848,951	21,864,952
Board designated endowment funds	39,647,938	-	39,647,938
Total funds	\$ 44,190,251	\$ 21,848,951	\$ 66,039,202
Changes in endowment net assets for the year ended June 30, 2019:			
Endowment net assets, July 1, 2018	\$ 43,570,050	\$ 21,858,383	\$ 65,428,433
Investment return:			
Investment income	321,463	139,988	461,451
Net appreciation (realized and unrealized)	2,199,317	827,428	3,026,745
Total investment return	2,520,780	947,416	3,488,196
Contributions	358,558	6,417	364,975
Appropriation of assets for expenditure in accordance with the spending policy	(2,259,137)	(983,265)	(3,242,402)
Endowment net assets, June 30, 2019	\$ 44,190,251	\$ 21,848,951	\$ 66,039,202

United Way of Greater Philadelphia and Southern New Jersey and Affiliate

Notes to Consolidated Financial Statements June 30, 2019 and 2018

The following tables provide endowment composition by fund and endowment activity as of and for the year ended June 30, 2018:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net composition by type of fund as of June 30, 2018:			
Undesignated endowment funds	\$ 4,526,312	\$ -	\$ 4,526,312
Donor restricted endowment funds	15,906	21,858,383	21,874,289
Board designated endowment funds	39,027,832	-	39,027,832
Total funds	\$ 43,570,050	\$ 21,858,383	\$ 65,428,433
Changes in endowment net assets for the year ended June 30, 2019:			
Endowment net assets, July 1, 2017	\$ 36,728,234	\$ 21,321,410	\$ 58,049,644
North Penn United Way Acquisition	1,099,132	-	1,099,132
Investment return:			
Investment income	825,299	285,148	1,110,447
Net appreciation (realized and unrealized)	2,335,109	1,159,167	3,494,276
Total investment return	3,160,408	1,444,315	4,604,723
Contributions	5,165,971	15,959	5,181,930
Appropriation of assets for expenditure in accordance with the spending policy	(2,583,695)	(923,301)	(3,506,995)
Endowment net assets, June 30, 2018	\$ 43,570,050	\$ 21,858,383	\$ 65,428,433

United Way of Greater Philadelphia and Southern New Jersey and Affiliate

Notes to Consolidated Financial Statements June 30, 2019 and 2018

Endowment balances classified as net assets with donor restrictions consisted of the following at June 30:

June 30, 2019

Net assets with donor restrictions:	
<u>The portion of perpetual endowment funds that is required to be retained</u>	<u>\$ 11,750,893</u>
<u>Total endowment funds classified as net assets with donor restrictions</u>	<u>11,750,893</u>
Net assets with donor restrictions:	
Term endowment funds	7,015,369
<u>Accumulated gains on endowment fund</u>	<u>3,082,689</u>
<u>Total endowment funds classified as net assets with donor restrictions</u>	<u>\$ 21,848,951</u>

June 30, 2018

Net assets with donor restrictions:	
<u>The portion of perpetual endowment funds that is required to be retained</u>	<u>\$ 11,744,477</u>
<u>Total endowment funds classified as net assets with donor restrictions</u>	<u>11,744,477</u>
Net assets with donor restrictions:	
Term endowment funds	7,072,413
<u>Accumulated gains on endowment fund</u>	<u>3,041,493</u>
<u>Total endowment funds classified as net assets with donor restrictions</u>	<u>\$ 21,858,383</u>

UWGPSNJ has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to partially offset annual campaign and administrative overhead costs while maintaining the purchasing power of the endowment. Endowment assets include those assets of donor-restricted funds that must be held in perpetuity or for a donor-specified period, as well as Board designated funds. Under this policy, endowment assets are invested in a manner that is intended to yield a long-term average annual rate of return of 5% above inflation over a rolling ten-year period on a net of fees basis while assuming a moderate level of investment risk. Actual results in any given year may vary from this amount.

To satisfy long-term rate of return objectives, UWGPSNJ relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). UWGPSNJ targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve long-term strategies.

UWGPSNJ utilizes a spending policy on its Board designated, donor restricted endowment funds in order to calculate the portion of net appreciation that is appropriated to partially fund operating expenses. This amount is generally calculated as 5% of the five-year average market value of the Board designated, endowment funds as of September 30th of each year, except where donor restrictions specify otherwise. The spending policy is a total return policy, such that investment income and realized and unrealized gains are reinvested and included in the investment balances on which the spending policy is calculated. Any cumulative realized and unrealized gains and losses and investment income remaining after the 5% draw remains in the respective endowment fund. This is consistent with UWGPSNJ's objective to maintain the purchasing power of endowment assets

United Way of Greater Philadelphia and Southern New Jersey and Affiliate

Notes to Consolidated Financial Statements June 30, 2019 and 2018

as well as to provide additional real growth through new gifts and investment return. These funds are recorded as a transfer to unrestricted net assets (application of spending policy) on the accompanying consolidated statements of activities and changes in net assets.

15. Liquidity and Availability of Resources

UWGPSNJ's financial assets available within one year of the consolidated statements of financial position date for general expenditure are as follows:

<i>June 30,</i>	2019	2018
Cash and cash equivalents	\$ 14,177,020	\$ 17,012,926
Investments	72,292,574	65,610,494
Pledge receivables, net	17,020,871	17,129,815
Grants receivable	124,830	119,723
Legacies and bequests receivable	500,000	750,000
Other current assets	429,561	676,217
Total financial assets available within one year	104,544,406	101,299,175
Less:		
Amounts unavailable for general expenditures within one year, due to:		
Restricted by donor in perpetuity	11,750,893	11,744,477
Restricted by donor with purpose restrictions	20,802,155	18,468,163
Total amounts unavailable for general expenditures within one year	32,553,048	30,212,640
Amounts unavailable to management without Board's approval:		
Board designated for Basic Needs	1,180,878	1,180,878
Board designated for Education	946,525	946,525
Board designated for Financial Stability	1,511,361	1,511,361
Board designated for Health	613,200	613,022
Board designated for Capacity Building and Engagement	481,200	481,200
Board designated for Strategic Mission of the Organization	42,848,590	43,689,802
Total amounts unavailable to management without Board's approval	47,581,574	48,422,788
Total financial assets available to management for general expenditure within one year	\$ 24,409,604	\$ 22,663,747

Liquidity Management

UWGPSNJ maintains a policy of structuring its financial assets including 100% of its investment portfolio to be available as its general expenditures, liabilities and other obligations become due. Furthermore, in response to the timing difference between the annual receipt and payment of cash, UWGPSNJ has a committed line of credit, which it could draw upon to satisfy its financial obligations in a timely manner without prematurely selling its investments. Additionally, UWGPSNJ has Board

United Way of Greater Philadelphia and Southern New Jersey and Affiliate

Notes to Consolidated Financial Statements June 30, 2019 and 2018

Designated net assets without donor restrictions, that while UWGPSNJ does not intend to spend these for purposes other than those identified, the amounts could be made available for current operations, if necessary.

16. Annual Campaign

UWGPSNJ reports to the local community the amount raised in its annual campaign. This amount differs from the amount as reported in the accompanying consolidated statements of activities and changes in net assets. The reconciliation of the annual campaign as reported to the community consisted of the following for the years ended June 30:

	2019	2018
Annual campaign per consolidated financial statements	\$ 36,210,053	\$ 39,741,951
Amounts raised in prior years for current campaign	1,486,301	1,781,762
Amounts raised for future campaigns	(1,731,620)	(3,310,963)
Amounts recorded for prior campaigns	(916,086)	(750,180)
Endowed campaign gifts in investment income	1,213,252	1,161,865
Adjustment from resource table projection to final results	(538,101)	775,565
<hr/>		
Annual campaign reported to the local community	\$ 36,800,000	\$ 39,400,000

Revenue recognition related to amounts reported in the gross annual campaign is mandated by United Way Worldwide reporting guidelines and is in accordance with accounting principles generally accepted in the United States of America. In accordance with these guidelines, Local United Way organizations (“LUWs”), such as UWGPSNJ, report gross annual campaign revenues in accordance with their respective geographic areas in order to avoid duplicative reporting of campaign results. As such, UWGPSNJ only reports amounts that it raises within its service area as gross annual campaign in the consolidated statements of activities and changes in net assets. Amounts raised outside its service area are not reported as public support by UWGPSNJ, but rather, by the LUW in the region in which it was raised. Although some level of effort is expended in raising such funds, the effort is generally shared with the LUW, and UWGPSNJ recuperates most of its costs through processing fees on the dollars distributed for those campaigns. Amounts raised outside UWGPSNJ service area by the UWGPSNJ or other LUWs that are available for distribution by UWGPSNJ are reported as a separate line item in public support, since the related funds are reported as a distribution to agencies by UWGPSNJ. The net impact on net assets of not reporting the effect of these transactions is zero, since these are all effectively agency transactions under US GAAP, and the amounts raised on behalf of others is offset by the amount reported as donor designated distributions to agencies. All designated funding is reported as amounts raised on behalf of others, thus not reported in the net annual campaign.

The annual campaign amount includes all amounts raised by UWGPSNJ, including some amounts that are paid directly to agencies either by the donating company or by third-party processors. These are considered to be “paydirects” by UWGPSNJ and are recorded as gross annual campaign only by the party who raises the funds. All designated funding is reported as amounts raised on behalf of others, thus not reported in the net annual campaign. The revenue recorded by the third-party processor is limited to the processing fee, thus campaign results are not duplicated by multiple parties within or outside of the UWGPSNJ system. For the Fall 2018 and 2017 Campaigns, the paydirects totaled \$6,113,653 and \$4,825,738, respectively.

United Way of Greater Philadelphia and Southern New Jersey and Affiliate

Notes to Consolidated Financial Statements June 30, 2019 and 2018

17. Related Parties

UWGPSNJ's Board of Directors includes volunteers from the local business community who provide valuable assistance to UWGPSNJ in the development of policies and programs. UWGPSNJ has adopted a policy that defines how Board members may participate in decisions regarding allocations and grants to agencies with which they are affiliated.

During the year, UWGPSNJ contracted to receive services from various companies in which Board members are employed. There have been no excess benefits to Board members as a result of these relationships.

SCS contracts certain administrative services, such as accounting and recordkeeping from UWGPSNJ. The nature of such services is specified in an administrative services agreement between SCS and UWGPSNJ. SCS paid UWGPSNJ an administrative services fee of \$2,500 in both 2019 and 2018.

18. Commitments

UWGPSNJ leases certain office space and equipment under various non-cancellable operating leases expiring through fiscal year 2020. Rent expense associated with these operating leases was \$582,847 and \$118,432 for the years ended June 30, 2019 and 2018, respectively. On July 31, 2019, UWGPSNJ entered into a lease with JFK Investments Associates, L.P., for 12,640 rentable square feet (RSF) at 1800 JFK Blvd, Philadelphia, PA, Suite 1200. The lease has a ten (10) year term and rental costs of approximately \$28,000 per month for the first year, escalating 2.5% annually thereafter over the term. The lease commencement date was May 1, 2020. The lease is subject to additional charges for electric and other costs. Future minimum rental payments under these leases are as follows:

Year ending June 30,

2020	\$ 229,318
2021	346,842
2022	355,353
2023	364,116
2024	373,049
Thereafter	2,117,284
	<hr/>
	\$ 3,785,962

UWGPSNJ has a line of credit with a financial institution with a limit of \$5,000,000, bearing interest at the rate of LIBOR plus 1.5% with a floor of 2%. No amount was outstanding at June 30, 2019 and 2018. The line of credit was closed subsequent to June 30, 2019.

19. Beneficial Interests in Trusts

UWGPSNJ has a beneficial interest in two trusts.

UWGPSNJ has a one-third beneficial interest in a certain trust fund established by a donor. The fund provides the irrevocable right for UWGPSNJ to receive one-third of the income earned on the trust asset in perpetuity. UWGPSNJ's portion of the trust, which is held and administered by a trustee, was approximately \$275,174 and \$313,190 at June 30, 2019 and 2018, respectively.

United Way of Greater Philadelphia and Southern New Jersey and Affiliate

Notes to Consolidated Financial Statements June 30, 2019 and 2018

UWGPSNJ has a beneficial interest in a trust which provides the irrevocable right to receive income earned on the trust asset in perpetuity. The value of the trust was \$2,008,217 and \$1,981,669 at June 30, 2019 and 2018, respectively.

The value of each trust is included in long-term investments on the consolidated statements of financial position at June 30, 2019 and 2018.

20. Cost Deduction Standards

The United Way Worldwide Membership Standard M - Cost Deduction Requirements (“Standard”) sets forth uniform standards for local United Ways to calculate the amount of fundraising and management and general expenses to deduct from donor pledges. The UWGPSNJ complies with the guidelines outlined in the Standard.

21. Income Taxes

For the year ended June 30, 2019, UWGPSNJ, LLC, and SSC did not identify any uncertain tax positions taken or expected to be taken, which would require adjustment or disclosure in the consolidated financial statements. UWGPSNJ, LLC, and SSC’s information returns for the past three years are generally open for examination by U.S. federal, state and local taxing authorities.

22. Subsequent Events

UWGPSNJ has evaluated the impact of subsequent events through August 26, 2020, the date the consolidated financial statements herein were issued, and has determined that there are following other material events that would require disclosure.

On January 30, 2020, the World Health Organization (“WHO”) announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (the “COVID-19 outbreak”) and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the UWGPSNJ’s financial condition, liquidity, and future results of operations. Management is actively monitoring the global situation on its financial condition, liquidity, operations, suppliers, industry, and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the Organization is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity for fiscal year 2020. Nevertheless, COVID-19 presents potential material uncertainty and risk with respect to the Organization, its performance, and its financial results.

On March 27, 2020, President Trump signed into law the “Coronavirus Aid, Relief, and Economic Security (CARES) Act.” The CARES Act, among other things, includes provisions relating to refundable payroll tax credits, deferment of employer side social security payments, net operating loss carryback periods, alternative minimum tax credit refunds, modifications to the net interest deduction limitations, increased limitations on qualified charitable contributions, and technical corrections to tax depreciation methods for qualified improvement property.

United Way of Greater Philadelphia and Southern New Jersey and Affiliate

Notes to Consolidated Financial Statements June 30, 2019 and 2018

It also appropriated funds for the SBA Paycheck Protection Program loans that are forgivable in certain situations to promote continued employment, as well as Economic Injury Disaster Loans to provide liquidity to small businesses harmed by COVID-19. On April 27, 2020, UWGPSNJ received a PPP Loan through WSFS bank in the amount of \$736,705 with a fixed interest rate of 1% per year to be paid over an 18-month period. The Organization continues to examine the impact that the CARES Act may have on its business. Currently, the Organization is unable to determine the impact that the CARES Act will have on its financial condition, results of operations, or liquidity.

Supplemental Information

United Way of Greater Philadelphia and Southern New Jersey and Affiliate

Consolidating Schedule of Financial Position

<i>June 30,</i>	United Way of Greater Philadelphia and Southern New Jersey	Strategic Community Solutions	Consolidating Eliminations	2019 Consolidated	2018 Consolidated
Assets					
Current Assets					
Cash and cash equivalents	\$ 14,161,078	\$ 15,942	\$ -	\$ 14,177,020	\$ 17,012,926
Short term investments, at fair value	16,121,148	-	-	16,121,148	6,791,389
Pledges receivable, net	17,020,871	-	-	17,020,871	17,129,815
Grants receivable	124,380	-	-	124,380	119,723
Legacies and bequests receivable	500,000	-	-	500,000	750,000
Other current assets	388,842	-	(12,560)	376,282	676,217
Total Current Assets	48,316,319	15,942	(12,560)	48,319,701	42,480,070
Long-term investments, at fair value	56,171,426	-	-	56,171,426	58,819,105
Long-term pledges receivable, net	2,517,846	-	-	2,517,846	3,969,378
Land, building, and equipment, net	262,337	-	-	262,337	276,287
Long-term legacies and bequests receivable, net	-	-	-	-	493,583
Cash surrender value of life insurance policies	53,279	-	-	53,279	52,987
Total Assets	\$ 107,321,207	\$ 15,942	\$ (12,560)	\$107,324,589	\$ 106,091,410
Liabilities and Net Assets					
Current Liabilities					
Distributions payable to agencies	\$ 17,452,002	\$ -	\$ -	\$ 17,452,002	\$ 18,413,061
Deferred revenue	13,069	-	-	13,069	8,561
Accounts payable and accrued expenses	3,633,631	12,560	(12,560)	3,633,631	2,508,563
Total Current Liabilities	21,098,702	12,560	(12,560)	21,098,702	20,930,185
Long-term distributions payable to agencies	71,235	-	-	71,235	507,306
Total Liabilities	21,169,937	12,560	(12,560)	21,169,937	21,437,491
Net Assets					
Without donor restrictions	53,598,222	3,382	-	53,601,604	54,441,279
With donor restrictions	32,553,048	-	-	32,553,048	30,212,640
Total Net Assets	86,151,270	3,382	-	86,154,652	84,653,919
Total Liabilities and Net Assets	\$ 107,321,207	\$ 15,942	\$ (12,560)	\$107,324,589	\$ 106,091,410

United Way of Greater Philadelphia and Southern New Jersey and Affiliate

Consolidating Schedule of Activities and Changes in Net Assets

	<u>United Way of Greater Philadelphia and Southern New Jersey (UWGPSNJ)</u>			Strategic Community Solutions	Consolidation Eliminations	Total 2019 Consolidated
	With Donor Restriction	Without Donor Restriction	Total 2019			
Public Support						
Annual campaign	\$ 28,896,511	\$ 7,313,542	\$ 36,210,053	\$ -	\$ -	\$ 36,210,053
Gross campaign results in prior year - released from restriction	1,486,301	(1,486,301)	-	-	-	-
Program restricted campaign gifts raised in prior year released from restriction	2,094,385	(2,094,385)	-	-	-	-
Less - amounts raised on behalf of others	(14,696,333)	438,571	(14,257,762)	-	-	(14,257,762)
Gross undesignated annual campaign	17,780,864	4,171,427	21,952,291	-	-	21,952,291
Provision for uncollectable pledges	(960,615)	-	(960,615)	-	-	(960,615)
Net annual campaign	16,820,249	4,171,427	20,991,676	-	-	20,991,676
Grants and other contributions	242,186	350,102	592,288	-	-	592,288
Total Public Support	17,062,435	4,521,529	21,583,964	-	-	21,583,964
Revenue						
Amounts received from other United Ways	122,748	-	122,748	-	-	122,748
Administrative fees on amounts raised on behalf of others	1,627,018	-	1,627,018	-	-	1,627,018
Legacies and bequests	358,558	6,417	364,975	-	-	364,975
Rental and miscellaneous income	85,014	-	85,014	-	(2,500)	82,514
Application of spending policy	3,245,825	-	3,245,825	-	-	3,245,825
Investment income	500,969	-	500,969	182	-	501,151
Donated materials and services	434,559	-	434,559	-	-	434,559
Net assets released from restrictions	2,168,786	(2,168,786)	-	-	-	-
Total Revenue	8,543,477	(2,162,369)	6,381,108	182	(2,500)	6,378,790
Total Public Support and Revenue	25,605,912	2,359,160	27,965,072	182	(2,500)	27,962,754

United Way of Greater Philadelphia and Southern New Jersey and Affiliate

Consolidating Schedule of Activities and Changes in Net Assets

	United Way of Greater Philadelphia and Southern New Jersey (UWGPSNJ)					
	With Donor Restriction	Without Donor Restriction	Total 2019	Strategic Community Solutions	Consolidation Eliminations	Total 2019 Consolidated
Distributions and Expenses						
Distributions and related items -						
distributions to agencies	23,056,858	-	23,056,858	-	-	23,056,858
Less - donor designated distributions to agencies	(15,884,780)	-	(15,884,780)	-	-	(15,884,780)
Net distributions to agencies	7,172,078	-	7,172,078	-	-	7,172,078
Special distributions and projects	6,293,544	-	6,293,544	-	-	6,293,544
Total Distributions and Related Items	13,465,622	-	13,465,622	-	-	13,465,622
Expenses						
Fundraising	4,990,051	-	4,990,051	-	-	4,990,051
Donated fundraising and marketing materials and services	22,864	-	22,864	-	-	22,864
General and administrative	3,197,955	-	3,197,955	2,860	(2,500)	3,198,315
Donated general and administrative materials and services	411,695	-	411,695	-	-	411,695
Total Cost of Campaign	8,622,565	-	8,622,565	2,860	(2,500)	8,622,925
Program Services						
Community impact	2,811,727	-	2,811,727	-	-	2,811,727
Other program services	391,395	-	391,395	-	-	391,395
Grant expenditures	1,404,745	-	1,404,745	-	-	1,404,745
Total Program Services	4,607,867	-	4,607,867	-	-	4,607,867
Total Expenses and Program Services	13,230,432	-	13,230,432	2,860	(2,500)	13,230,792
Total Distributions and Expenses	26,696,054	-	26,696,054	2,860	(2,500)	26,696,414
Change in net assets from operating activities	(1,090,142)	2,359,160	1,269,018	(2,678)	-	1,266,340
Non-Operating Activities						
Investment income, net of spending policy	261,752	(18,752)	243,000	-	-	243,000
Transfer for office fit out and relocation	(8,607)	-	(8,607)	-	-	(8,607)
Change in Net Assets from Non-Operating Activities	253,145	(18,752)	234,393	-	-	234,393
Change in Net Assets	(836,997)	2,340,408	1,503,411	(2,678)	-	1,500,733
Net Assets, July 1, 2018	54,435,219	30,212,640	84,647,859	6,060		84,653,919
Net Assets, June 30, 2019	\$ 53,598,222	\$ 32,553,048	\$ 86,151,270	\$ 3,382	\$ -	\$ 86,154,652

United Way of Greater Philadelphia and Southern New Jersey and Affiliate

Consolidating Schedule of Cash Flows

<i>Year ended June 30, 2019</i>	United Way of Greater Philadelphia and Southern New Jersey	Strategic Community Solutions	Consolidating Eliminations	2019 Consolidated
Cash Flows from Operating Activities				
Total changes in net assets	\$ 1,503,411	\$ (2,678)	\$ -	\$ 1,500,733
Adjustments to reconcile total changes in net assets to net cash used by operating activities:				
Depreciation	89,630	-	-	89,630
Net realized and unrealized gains/losses on investments	(3,100,698)	-	-	(3,100,698)
Provision for uncollectible pledges, net of recoveries	960,615	-	-	960,615
Contributions restricted for endowment	(6,417)	-	-	(6,417)
Changes in assets and liabilities:				
Decrease in pledges receivable	599,861	-	-	599,861
Increase in grants receivable, net	(4,657)	-	-	(4,657)
Increase in cash surrender value of life insurance policies	(292)	-	-	(292)
Decrease in other assets	297,435	-	2,500	299,935
Decrease in legacies and bequests receivable	743,583	-	-	743,583
Increase in distributions payable to agencies	(1,397,130)	-	-	(1,397,130)
Decrease in deferred revenue	4,508	-	-	4,508
Decrease in accounts payable and accrued expenses	1,125,068	2,500	(2,500)	1,125,068
Net cash provided by (used in) operating activities	814,917	(178)	-	814,739
Cash Flows from Investing Activities				
Purchases of land, building and equipment	(75,680)	-	-	(75,680)
Purchase of investments	(10,775,990)	-	-	(10,775,990)
Proceeds from sales of investments	7,194,608	-	-	7,194,608
Net cash used in investing activities	(3,657,062)	-	-	(3,657,062)
Cash Flows from Financing Activities				
Contributions restricted for endowment	6,417	-	-	6,417
Net cash provided by financing activities	6,417	-	-	6,417
Net Decrease in Cash and Cash Equivalents	(2,835,728)	(178)	-	(2,835,906)
Cash and Cash Equivalents, beginning of year	16,996,806	16,120	-	17,012,926
Cash and Cash Equivalents, end of year	\$ 14,161,078	\$ 15,942	\$ -	\$ 14,177,020

United Way of Greater Philadelphia and Southern New Jersey and Affiliate

Consolidating Schedule of Functional Expenses

	United Way of Greater Philadelphia and Southern New Jersey (UWGPSNJ)								Strategic Community Solutions (SCS)	Consolidation Eliminations	Consolidated June 30, 2019
	Program Services				Support Services				Support Services		
	Community Impact	Other Program Services	Grants	Total	General and Administrative	Fundraising	Total	UWGPSNJ June 30, 2019	General and Administrative		
Distributions to agencies	\$ 23,056,858	\$ -	\$ -	\$ 23,056,858	\$ -	\$ -	\$ -	\$ 23,056,858	\$ -	\$ -	\$ 23,056,858
Less: Donor designated distributions	(15,884,780)	-	-	(15,884,780)	-	-	-	(15,884,780)	-	-	(15,884,780)
Special distributions and projects	6,293,544	-	-	6,293,544	-	-	-	6,293,544	-	-	6,293,544
Total Distributions	13,465,622	-	-	13,465,622	-	-	-	13,465,622	-	-	13,465,622
Salaries	1,526,152	35,877	337,113	1,899,142	1,867,659	2,359,502	4,227,161	6,126,303	-	-	6,126,303
Employee health & retirement benefits	159,830	6,956	28,107	194,893	504,405	236,649	741,054	935,947	-	-	935,947
Payroll taxes	115,213	6,523	24,491	146,227	205,459	169,803	375,262	521,489	-	-	521,489
Total Salaries and Related Benefits	1,801,195	49,356	389,711	2,240,262	2,577,523	2,765,954	5,343,477	7,583,739	-	-	7,583,739
Professional services and contract payments	434,691	92,037	199,033	725,761	249,329	1,130,210	1,379,539	2,105,300	2,500	(2,500)	2,105,300
Donated professional services and contract payments	-	-	-	-	411,695	-	411,695	411,695	-	-	411,695
Office services	20	184	3	207	267,070	1,657	268,727	268,934	-	-	268,934
Supplies	61,193	96,727	248,879	406,799	5,203	23,567	28,770	435,569	-	-	435,569
Telephone	15,754	11,641	1,694	29,089	11,842	25,175	37,017	66,106	-	-	66,106
Postage and shipping	194	730	82	1,006	25,542	688	26,230	27,236	-	-	27,236
Occupancy	208,127	42,978	3,388	254,493	219,470	287,000	506,470	760,963	-	-	760,963
Donated occupancy	-	-	-	-	-	22,864	22,864	22,864	-	-	22,864
Outside printing, artwork and advertising	13,937	7,702	30,237	51,876	6,105	104,542	110,647	162,523	-	-	162,523
Travel, training and meetings	61,736	57,414	44,602	163,752	60,449	190,801	251,250	415,002	-	-	415,002
Grant overhead reimbursement	27,744	-	424,902	452,646	(452,646)	-	(452,646)	-	-	-	-
Membership dues	36,762	7,338	50	44,150	7,026	6,254	13,280	57,430	360	-	57,790
Equipment rental and repairs	28,127	8,271	1,090	37,488	36,052	236,254	272,306	309,794	-	-	309,794
Miscellaneous	-	-	-	-	28,051	-	28,051	28,051	-	-	28,051
Depreciation of building and equipment	19,048	2,652	9,516	31,216	24,454	33,960	58,414	89,630	-	-	89,630
United Way Worldwide dues	103,199	14,365	51,558	169,122	132,485	183,989	316,474	485,596	-	-	485,596
Total Other Operating Expenses	1,010,532	342,039	1,015,034	2,367,605	1,032,127	2,246,961	3,279,088	5,646,693	2,860	(2,500)	5,647,053
Total Operating Expenses	2,811,727	391,395	1,404,745	4,607,867	3,609,650	5,012,915	8,622,565	13,230,432	2,860	(2,500)	13,230,792
Total Expenses	\$ 16,277,349	\$ 391,395	\$ 1,404,745	\$ 18,073,489	\$ 3,609,650	\$ 5,012,915	\$ 8,622,565	\$ 26,696,054	\$ 2,860	\$ (2,500)	\$ 26,696,414